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**UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF WASHINGTON
Seattle Division**

In re:

HEIDI A. STAFFORD, and
TYSON J. STAFFORD,

Debtors.

Bankr. Case No.: 13-19709-TWD

Chapter 7

HEIDI A. STAFFORD, and
TYSON J. STAFFORD,

Plaintiffs,

Adv. Proc. No.: 14-01458

v.

NAVIENT SOLUTIONS, INC., PNC
BANK, N.A., and NATIONAL
COLLEGIATE TRUST,

**STIPULATION FOR SETTLEMENT
BETWEEN PLAINTIFFS AND NAVIENT
SOLUTIONS, INC. AND FOR DISMISSAL
OF THIS ADVERSARY PROCEEDING**

Defendants.

Plaintiffs, Heidi A. Stafford and Tyson J. Stafford (“Plaintiffs”), and Navient Solutions, Inc. (“Navient”), by and through their respective undersigned counsel, hereby stipulate as follows:

STIPULATION FOR SETTLEMENT
BETWEEN PLAINTIFFS AND NAVIENT
SOLUTIONS, INC. AND FOR DISMISSAL
OF THIS ADVERSARY PROCEEDING - I

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1 1. On October 31, 2013, Plaintiffs filed a voluntary petition for relief under Chapter
2 11 of the United States Bankruptcy Code, on July 10, 2014 Plaintiffs bankruptcy was converted
3 to a Chapter 7 case, and a discharge of eligible debts was entered on January 2, 2015.
4

5 2. On December 8, 2014, Plaintiffs filed a Complaint, naming Navient Solutions,
6 Inc. as one of the Defendants, seeking a discharge of educational loan debt pursuant
7 11 U.S.C. §523(a)(8).
8

9 3. On January 23, 2015, Navient filed its Answer to Plaintiffs' Complaint; as of the
10 date of this Stipulation, Navient is the only remaining defendant.
11

12 4. Plaintiff, Heidi A. Stafford ("Ms. Stafford"), is indebted to Navient pursuant to
13 the applicable terms of six (6) educational loan Promissory Notes ("Ms. Stafford's Promissory
14 Notes") executed by Ms. Stafford to obtain educational loans ("Ms. Stafford's Educational
15 Loans") with approximate balances, as of the date of the filing of this adversary proceeding, as
16 follows:
17

18 a. one (1) Ms. Stafford's Educational Loan disbursed December 3, 2003,
19 with a balance, including principal, interest and fees, totaling \$6,039.38;
20

21 b. one (1) Ms. Stafford's Educational Loan disbursed July 11, 2006, with a
22 balance, including principal, interest and fees, totaling \$64,677.16;
23

24 c. one (1) Ms. Stafford's Educational Loan disbursed March 6, 2007, with a
25 balance, including principal, interest and fees, totaling \$49,698.74;
26

27 d. one (1) Ms. Stafford's Educational Loan disbursed November 6, 2007,
28 with a balance, including principal, interest and fees, totaling \$36,748.96;
29

30 e. one (1) Ms. Stafford's Educational Loan disbursed July 21, 2008, with a
31 balance, including principal, interest and fees, totaling \$19,884.63; and
32

33 f. one (1) Ms. Stafford's Educational Loan disbursed November 8, 2005,
34 with a balance, including principal, interest and fees, totaling \$96,723.37.
35

1 5. The parties agree to a discharge of Ms. Stafford's liability on the debt due
2 Navient, owing on Ms. Stafford's Educational Loans evidenced by Ms. Stafford's Promissory
3 Notes described in Paragraph 4.a. through 4.e., as included within the general discharge entered
4 in Plaintiffs' main bankruptcy case on January 2, 2015; upon approval of this Stipulation by the
5 court, Ms. Stafford's debt to Navient, referenced in Paragraph 4.a. though 4.e. above, will be
6 included within the general discharge entered in Plaintiffs' main bankruptcy case, and is
7 therefore, discharged.
8

9 6. The parties agree that the balance of Ms. Stafford's Educational Loan referenced
10 in Paragraph 4.f shall be reduced to \$26,000.00 ("Ms. Stafford's Reduced Balance"), and the
11 variable interest rate shall be reduced to a fixed rate of 1% ("Ms. Stafford's Reduced Interest"),
12 and Ms. Stafford shall repay Ms. Stafford's Reduced Balance at Ms. Stafford's Reduced Interest
13 rate as follows: \$119.57 per month for a period of two hundred forty (240) consecutive months.
14 The first monthly payment is due to be received by Navient on or before January 8, 2016, with
15 subsequent payments to be received on the eighth (8th) day of each month thereafter.
16

17 7. All payments pursuant to this Stipulation shall note Ms. Stafford's account
18 number on the payment, and shall be mailed to, "Navient Solutions, Inc., P.O. Box 13611,
19 Philadelphia, PA 19101-3611", or to any other address provided to Ms. Stafford by Navient in
20 writing.
21

22 8. Plaintiff, Tyson J. Stafford ("Mr. Stafford"), is indebted to Navient pursuant to the
23 applicable terms of five (5) educational loan Promissory Notes ("Mr. Stafford's Promissory
24 Notes") executed by Mr. Stafford to obtain educational loans ("Mr. Stafford's Educational
25

Loans”) with approximate balances, as of the date of the filing of this adversary proceeding, as follows:

a. one (1) Mr. Stafford’s Educational Loan disbursed July 11, 2006, with a balance, including principal, interest and fees, totaling \$63,559.92;

b. one (1) Mr. Stafford’s Educational Loan disbursed March 20, 2007, with a balance, including principal, interest and fees, totaling \$49,248.36;

c. one (1) Mr. Stafford’s Educational Loan disbursed November 6, 2007, with a balance, including principal, interest and fees, totaling \$36,935.78;

d. one (1) Mr. Stafford’s Educational Loan disbursed July 21, 2008, with a balance, including principal, interest and fees, totaling \$18,036.95; and

e. one (1) Mr. Stafford’s Educational Loan disbursed October 25, 2005, with a balance, including principal, interest and fees, totaling \$80,652.08;

9. The parties agree to a discharge of Mr. Stafford’s liability on the debt due Navient, owing on Mr. Stafford’s Educational Loans evidenced by Mr. Stafford’s Promissory Notes described in Paragraph 8.a. through 8.d. above, as included within the general discharge entered in Plaintiffs’ main bankruptcy case on January 2, 2015; upon approval of this Stipulation by the court, Mr. Stafford’s debt to Navient, referenced in Paragraph 8.a. through 8.d, will be included within the general discharge entered in Plaintiffs’ main bankruptcy case, and is therefore, discharged.

10. The parties agree that the balance of Mr. Stafford’s Educational Loan referenced in Paragraph 8.e shall be reduced to \$26,000.00 (“Mr. Stafford’s Reduced Balance”), and the variable interest rate shall be reduced to a fixed rate of 1% (“Mr. Stafford’s Reduced Interest”), and Mr. Stafford shall repay Mr. Stafford’s Reduced Balance at Mr. Stafford’s Reduced Interest rate as follows: \$119.57 per month for a period of two hundred forty (240) consecutive months.

1 The first monthly payment is due to be received by Navient on or before January 21, 2016, with
2 subsequent payments to be received on the twenty-first (21st) day of each month thereafter.

3 11. All payments pursuant to this Stipulation shall note Mr. Stafford's account
4 number on the payment, and shall be mailed to, "Navient Solutions, Inc., P.O. Box 13611,
5 Philadelphia, PA 19101-3611", or to any other address provided to Mr. Stafford by Navient in
6 writing.
7

8 12. Should either Plaintiff default in repayment of the debt to be repaid as described
9 herein, for two consecutive months, the nondischargeable balance of such Plaintiff described
10 herein will become immediately due and owing, with credit for payments made, and Navient is
11 free to exercise its rights in accordance with applicable law.
12

13 13. Should either Plaintiff commence any further legal proceedings against Navient,
14 its successors or assigns, seeking a discharge of educational loan debt, all provisions of this
15 Stipulation, and any Order thereon, are revoked with respect to such Plaintiff.
16

17 14. There is no penalty for prepayment under this Stipulation, but any prepayment,
18 unless it is payment in full, does not relieve Plaintiffs of the obligation to make ongoing monthly
19 payments.

20 15. In the event the Plaintiffs, pursuant to applicable Navient policy and the terms of
21 the Promissory Notes, qualify for, or the parties agree to, any deferment or forbearance of
22 payment obligations, after this Stipulation is approved, interest will continue to accrue during the
23 time of any such deferment or forbearance, at the interest rate stated herein, so that the total
24 amount to be repaid, and the monthly payments required, may increase from that stated herein.
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1 16. Should any issues arise, related to billing or repayment of loans subject to this
2 agreement, wherein the Plaintiffs believe that billing or collection efforts related to loans subject
3 to this agreement is not in accordance with this Stipulation, Plaintiffs agree that such issues
4 should be directed to a Supervisor or Manager in Navient's Bankruptcy Litigation Unit, who
5 may be reached at 1-800-251-4127, or to any other telephone number provided by Navient in
6 writing, or in response to a specific borrower inquiry. The parties understand that any such
7 communications, if not directed as specified in this Paragraph, may not be addressed in a timely
8 manner, or in a manner specifically in accordance with this Stipulation.
9

10 17. Except as provided in this Stipulation, all other terms of the non-discharged
11 Promissory Notes remain in effect and are hereby incorporated by reference.
12

13 18. Any amendment, modification, or waiver of any term or condition of this
14 Stipulation must be made in writing and signed by all parties hereto.
15

16 19. This Stipulation may be executed in counterparts, or by facsimile, each of which
17 shall constitute an original, but all of which together shall constitute one and the same
18 Stipulation.
19

20 20. The parties agree to a dismissal of this adversary proceeding, subject to the terms
21 of this Stipulation, upon approval of this Stipulation by the court.
22

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1 WHEREFORE, the parties pray this Honorable Court for an Order approving this
2 Stipulation and dismissing the above-captioned adversary proceeding.
3
4
5

6 By: /s/ Christina L Henry
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